Budget Address
2013 - 2014
NORTHWEST TERRITORIES

The Honourable J. Michael Miltenberger
Minister of Finance

Fourth Session of the
Seventeenth Legislative Assembly

February 7, 2013

Kīspin ki nitawihtīn ā nīhīyawihk ōma ācimōwin, tipwēsinēn.

Cree

ʔerihtł'ís dëne sųłiné yati t'a huts'elkër xa beyéyati theɔ́ ɂat'e, nuwe ts'ën yółti.

Chipewyan

If you would like this information in another official language, call us.

English

Si vous voulez ces renseignements en français, contactez-nous.

Français

Jii gwandak izhii ginjik vat'atr'ijąhch'uu zhit yinohthan jì', diits'àt ginohkhìi.

Gwich'in

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

ᑕᖃᐊ ᑎᑎᓐᒃᑲᐅᑦ ᐱᓕᒍᐃᑦ ᐃᓄᖅᑐᓕᓐᓂᖅᓯᒪᓕᓂᖅ, ᐅᓪᓗᑎᓐᓄᑦ ᐅᖃᖅ ᓱᓇᓐᑐᑎᑦ.

Inuktitut

UVANITTUAQ ILITCHURISUKUPKU INUVIALUKTUN, QUQUAQLUTA.

Inuvialuktun

K'éhshó got'ıne xədǝ́ k'é hederi ɂedıhtl'é yeriniwę nídé dúle.

North Slavey

Edi gondı dehgéh got'ıe zhatié k'ǫ́ǫ́ edatł'éh enahddhę nide.

South Slavey

Thı̨chǫ yati k'ǫ̀ǫ̀ dè wegodì wek'èhoızǫ nǫ̀ǫwǫ dè, gots'ǫ̀ goahde.

Thı̨chǫ

Introduction

Mr. Speaker, this Assembly started with a four year budget plan, with the first two years focusing on fiscal discipline to build our cash reserves in order that in the final two years we could have an enhanced infrastructure budget. The Budget presented today is the second budget of the 17th Legislative Assembly and represents the continued cooperative approach enabling us to meet the objectives of our four year plan.

We have been consistent in our message that the government's fiscal plan must include operating surpluses to fund infrastructure and pay down short-term debt. While we are prepared to borrow for infrastructure, we must ensure that borrowing is affordable, and that we retain the required fiscal capacity to continue to deliver high quality programs and services in future years.

Our reality is that revenue growth is slowing, making budgeting choices even more difficult. Members of this Assembly, through the various Standing Committees, have helped work through the implications of these choices and I want to thank them for their efforts and support during this process.

Last fall we brought the discussion about budgeting choices to the seven regional centres in Budget Dialogue 2012 to explain our fiscal challenges to Northerners and give people the opportunity to offer feedback on whether we are getting the choices right. Participants provided valuable ideas about ways to do better with what we have, and where any new funding should be spent. We heard that participants wanted us to address immediate needs through prevention, fix current programs by doing things better or more efficiently, put more resources into infrastructure, and take full advantage of economic opportunities in an environmentally sustainable way.

This Budget directly reflects the input we received from the Standing Committees and Budget Dialogue 2012 with investments in mental health and addictions prevention, midwifery services, support for economic development, energy efficiency, and innovation in health service delivery.

By working more efficiently and effectively we can continue to provide a high level of services and make strategic investments to achieve our vision of strong individuals, families and communities while maintaining fiscal sustainability.

Economic Outlook

This Assembly's continuing collaboration in managing expenditure growth is critical given the uncertainty still evident in the global economy. We may feel far away from the turmoil in global markets, but shifts in the global economy impact us directly and swiftly. There are many areas of concern, including the continuing European debt crisis, a fragile economic recovery in the United States, slowing growth in key developing economies such as China and India, and the accumulation of household debt in Canada. All of these situations pose risks for the NWT economy and the GNWT budget.

Here at home, there are some positive economic signs. Several key measures of economic health, including labour income, wholesale trade and retail trade have recovered to pre-recession levels. The number of Northerners working has returned to 2008 levels. Expenditures for mineral exploration grew 44 per cent in 2012.

Despite our steady economic situation, real gross domestic product growth in the territory lags other jurisdictions. This is largely because we are heavily influenced by carat production at our diamond mines, which has peaked. The forecast for 2013 is also flat. At the same time, the absence of growth in our population is affecting employers as well as government revenues.

We know we must do more to grow and diversify our economy.

We need to do what we can to support a healthy mineral exploration sector and to provide strategic investments to help create the right economic conditions for new mines to develop. We look forward to the completion of the *Mineral Development Strategy* started last year for this reason. New resource developments are critical for economic growth as our current mines begin to wind down. Pending regulatory approvals and the right economic conditions, up to seven new mines could begin production in the next five years to help keep our mining sector strong. Additionally, the socio-economic agreements negotiated with these major mining interests help ensure maximum benefits go to the people and businesses of the NWT.

Opportunities outside mining are coming from the Sahtu where companies have committed more than $600 million in exploration over the next five years. This year, spending in the Sahtu could be over $100 million with hundreds of associated jobs. We also celebrate the recent efforts of our Northern entrepreneurs from across the NWT who are diversifying our economy with ventures in egg production, market gardens, wood pellets, film, and diamond polishing. In the future, projects such as the Mackenzie Valley Fibre Optic Link and the continued development of the Inuvik Satellite Station Facility will provide opportunities for further diversification of the NWT economy.

Fiscal Strategy

The NWT's outlook for revenue growth over the medium-term is modest. Overall, we expect less than two per cent growth in revenues over the next three years; a fraction of the six per cent annual growth we've experienced over the past decade.

The primary reason is that Territorial Formula Financing, which is 70 per cent of our revenues, is not expected to grow over the next two years as our population growth remains stagnant and provinces reduce spending.

Slower revenue growth makes living within our means an ever greater challenge. Combining spending pressures with the need for operating surpluses to fund much-needed infrastructure reinforces the importance of keeping spending growth below revenue growth to ensure we have operating surpluses to make these projects happen. Without surpluses, every dollar spent on infrastructure is borrowed money, bringing us closer to our borrowing limit and leaving no flexibility to respond to a potential economic downturn or make strategic investments to support economic development and grow our economy.

To ensure operating surpluses, the fiscal strategy going forward will be to constrain expenditure growth in existing programs and services. This means capping forced growth at $25 million in 2014-15 and 1.5 per cent growth thereafter. This will allow us to start addressing our growing infrastructure deficit by increasing infrastructure investment by $50 million in 2014-15 and 2015-16. This strategy also allows us to make additional investments such as the Inuvik to Tuktoyaktuk highway and the Mackenzie Valley Fibre Optic Link.

Restrained operating expenditure growth ensures that infrastructure investment can be maintained. It will also allow us to maintain a $100 million "emergency cushion" between our debt and the federally legislated borrowing limit of $800 million. We currently have $190 million in borrowing room, but without surpluses to help fund infrastructure, that borrowing room would quickly erode.

Mr. Speaker, with debt servicing costs at less than one per cent of revenues, and one of the lowest debt-to-GDP ratios in the country, we are confident in our ability to meet financial obligations without having to limit programs and services to pay for our debt. Our commitment to the *Fiscal Responsibility Policy,* which requires us to generate sufficient operating surpluses to pay for half of our capital costs and limits debt service payments to 5 per cent of revenues, is critical to keeping debt levels sustainable. Our seventh straight top-rated Aa1 credit rating from Moody's Investors Service supports this.

This government is committed to responsible management of resource revenues for the benefit of current and future generations. This means we will not use revenues from non-renewable resources to fund government programs and services. Our fiscal strategy provides for infrastructure investments, and as such, our share of resource revenues will fund additional strategic infrastructure, pay down debt and be saved in the Heritage Fund, so that future generations can share in the benefits.

Budget Highlights

Mr. Speaker, this Budget's $113 million operating surplus demonstrates our commitment to living within our means and generates the cash required to fund half of the capital budget we approved last fall. Total budgeted expenditures will grow by $56 million in 2013-14 over last year's budgeted amount. This includes $42 million to address increased salary costs and other forced growth pressures for existing services, $22 million for investments in priority initiatives and $19 million allocated to other adjustments and amortization. These increases will be partially offset by $27 million in sunsets.

Despite our fiscal constraints, supporting healthy and educated individuals living in safe communities continues to be a priority for the GNWT. Nearly 60 cents of every dollar is budgeted for education, health care, social services, housing, policing, and corrections programs.

The increase in our operations expenditures will be financed through an estimated $1.6 billion in revenue, an increase of 2.6 per cent from the 2012-13 revised estimates.

Short-term debt is projected to be $151 million at the end of 2013-14. When combined with our long-term debt, and the debt of the NWT Power Corporation, NWT Housing Corporation and other public agencies, total GNWT borrowing will be $581 million on March 31, 2014, providing $219 million in borrowing room.

Revenues

Mr. Speaker, we will not be asking Northerners to bear a greater tax burden and have not introduced new taxes or raised rates in this Budget. In an environment with a high cost of living and doing business, stagnant population growth, and economic uncertainty, leaving less money in the pockets of Northerners would be a deterrent to economic growth.

This Budget does continue our policy of indexing fees to inflation where possible and practical. Steady and stable indexing avoids large painful adjustments in the future.

Expenditures

Mr. Speaker, our approach to spending in this Budget reflects the discussions in this Assembly and the broad priorities we heard during Budget Dialogue 2012 sessions. First, we are targeting spending in key frontline services that emphasize prevention and a holistic approach to well-being. Second, we are targeting spending to support sustainable economic development. Understanding the pressures that slowing revenue growth will have in the future, participants advocated growing our revenue base by growing the economy, not introducing new taxes. And third, we are making investments to improve the effectiveness and efficiencies of existing programs.

Investing in Prevention for Healthier People and Communities

The saying an 'ounce of prevention is worth a pound of cure' was true when we heard it from our grandparents and parents, and it is true today.

Prevention spans a wide spectrum of how we do things, from immunizing children against disease to providing the same children with an educational foundation for a great future. Using a pro-active and preventative approach will help achieve this Assembly's vision of strong individuals, families and communities.

Dealing more effectively with mental health and addictions reduces other societal ills. Enhancing addictions treatment programs is one of the priorities of this government, and was echoed repeatedly in Budget Dialogue discussions.

This Budget responds with $1.15 million in support of the initiatives within *A Shared Path Towards Wellness*, the mental health and addictions action plan which was launched last year. Of this, $250,000 focuses on youth, including investments for at-risk youth, mental health and addictions integration into the school health curriculum, and development of a youth treatment model. Prevention, early intervention and education programs for our young people have the greatest potential for reducing the burden of addictions in the NWT.

As part of the $1.15 million, we will use $200,000 to fund work with communities to expand on-the-land addictions program options, building on recommendations from the Minister's Forum on Addictions and Wellness. The investment also covers initiatives aimed at improving collaborative case management for clients accessing services from various government departments. Frustration with duplication and poor client management across departments was repeatedly heard in our Budget Dialogue consultations, where a client-centred approach was advocated. We are working hard to address this issue. The remainder of the $1.15 million will be targeted to developing detox program models, improving case management for people dealing with mental health issues, and ensuring that all NWT residents have access to mental health treatment and follow-up services through the use of telehealth.

Addictions have many impacts on society, not the least of which is crime. Most offenders admitted into NWT corrections facilities suffer from some sort of substance abuse problem, and the need to address addictions in the correctional system is profound. This Budget provides $339,000 to continue the pilot Alcohol and Drug Treatment Program at the South Mackenzie Correctional Centre.

Prevention is also about getting all of our children off to the right start so that happy and healthy childhoods lay the foundation for healthy and productive adults. Every year there are over 700 births in the NWT or about two babies every day. This Budget makes several investments that will put those little ones on the best possible footing.

This year the GNWT invested over $1 million in early childhood development. As part of this, work is underway for a renewed framework for early childhood development in the NWT, a public awareness campaign and the opening of Child and Family Resource Centres in two communities. This investment in promoting healthy childhoods will continue in 2013-14.

We know that support for mothers during pregnancy and childbirth contributes significantly to how well their children do later on. Midwifery services can be an important component of this support. This Budget invests $449,000 as a first step to expand access to midwifery care throughout the NWT. This investment will stabilize Fort Smith's Midwifery Program, establish a set of program standards, engage communities on expanding the program further, and support planning activities for a Hay River Community Midwifery Program.

We are also investing in children by setting aside $142,000 to expand the vaccination program for children in response to recommendations made by national expert bodies on pediatric immunization programs. Immunization is one of the most cost-effective public health programs, and universal coverage of vaccines for children and youth offers them better protection against potentially life-threatening diseases.

Investing in our children is the wisest move we can make. Last year we celebrated several important moments in supporting our children's education with the opening of Inuvik's East Three School, and the launch of the residential school curriculum, the first comprehensive teaching guide of its kind in Canada. This year, we are investing over $150 million in K-12 education.

Just as we need to pay attention to our youth, we need to focus on our elders. Seniors are an important resource for families and communities and also the fastest growing segment of the NWT population. Investing in long-term care facilities, such as replacing the Jimmy Erasmus Seniors Centre in Behchokǫ̀ with a larger facility, will ensure we have the spaces needed to meet this growing need.

But bricks and mortar only enable care, they don't provide it. Adequate staffing ensures quality care in our facilities. This Budget commits $1.13 million to increase staffing levels at three existing long-term care facilities in Fort Smith, Fort Simpson, and Yellowknife, to provide effective, safe and culturally-appropriate care.

Mr. Speaker, this Budget also continues to invest in initiatives that implement the *Family Violence Action Plan*, including funds to complete implementation of the Program for Men Who Abuse. This is a program directed at men who use violence in their relationships and adds another essential ingredient in a holistic approach to healing from family violence.

We look forward to the completion later this year of the *Anti-Poverty Strategy*, a priority of the Legislature, and will address recommendations for new resource requirements under this *Strategy* through a supplementary appropriation. Taking action on poverty with a broad-based strategy will help us fulfill the goals of this Assembly and the people it represents.

Investing for a Sustainable Economy

Mr. Speaker, creating and taking advantage of new economic opportunities is our surest path to a prosperous NWT as long as it is done in an environmentally sustainable way.

We have an abundance of natural wealth, providing numerous economic opportunities. If we proactively support those opportunities, our revenues will continue to grow, helping pay for our critical programs. At the same time we want to make sure that we do not separate this support from our work to protect our environment.

This Budget supports building a sustainable economy with investments in tourism, maximizing opportunities from oil and gas exploration, while also investing in environmental protection, water management, and development of alternative energy. In the oil and gas sector alone, this territory's potential is pegged at 81 trillion cubic feet of natural gas and nearly seven billion barrels of oil. The Sahtu is one region where the opportunity is now. Our challenge today is developing these resources in a sustainable manner, and ensuring local residents and NWT businesses benefit as much as possible.

This Budget invests nearly $1.2 million to help Northerners capture the benefits associated with Sahtu oil and gas exploration, and to mitigate some of the associated impacts. This will fund career development and training programs and supports for local business. We will also fund the collection of additional environmental baseline data for ground water, surface water and wildlife, environmental assessments and permitting, and increase resources for monitoring oil and gas activities. These funds also provide for additional RCMP resources and victim services programming to help frontline staff respond to additional demands, contributing to this Assembly's goal of safe communities.

Our natural wealth extends well beyond the non-renewable resources under our feet. Our water, land, animals and people are all natural endowments that can grow our economy. The range of these gifts is incredible, from tourism to food and energy production. This year's record fur sales at auction, the opening of the egg plant in Hay River, the pending opening of wood pellet manufacturing near Enterprise, and a new diamond polishing plant in Yellowknife, highlight some of what is happening now. These initiatives by Northerners should dispel the myth that 'you can't make it here' and help spur a rebound in the manufacturing industry.

As promised last year, we are investing in the development of a sustainable *Economic Opportunities Strategy* that will allow us to keep pace with the incredible opportunities and growth potential that our territory has, to ensure we are positioned to guide and manage this investment and growth, and to use it to build capacity in our communities and self-sufficiency in our people.

Supporting and encouraging local business is the path to a more stable and diversified economy. The GNWT continues to support small businesses taking the risks needed to grow our economy. We do this by providing a competitive and stable tax system, direct support through programs such as those provided through the Support to Entrepreneurs and Economic Development Policy, providing funding for traditional economy initiatives, and access to capital through the NWT Business Development and Investment Corporation.

Tourism remains a key economic priority in both developing and diversifying our economy. Tourism is a $100 million industry in the NWT that supports economies in all our regions. We are adding $600,000 in this Budget for NWT marketing efforts that promote the NWT as a travel destination. This additional investment brings our total tourism marketing support to $3.1 million per year, in addition to $1.2 million in direct support to tourism businesses to build and diversify tourism products. Territorial parks and campgrounds are also a key component of our efforts to grow the tourism industry. This coming year, we are making capital improvements of $2 million in NWT parks and trails.

The Deh Cho Bridge is not only on tourists' bucket list but is also a key investment for the rest of our economy by providing year-round access to the North Slave Region. We continue to reduce our infrastructure gap through the $138 million capital investment approved last November for fiscal year 2013-14. Infrastructure investment has the dual benefit of generating jobs and training opportunities, especially in small communities where opportunities may be limited, and leaving lasting benefits in the form of roads, schools and health centres. Over the longer term, infrastructure supports our goal of creating a prosperous NWT by providing access to supplies and markets.

Mr. Speaker, our government remains committed to mitigating the high cost of energy to NWT families and businesses, as well as reducing the impacts of our energy use on the environment.

Last year we lessened the impact of the NWT Power Corporation's 2012-13 rate increase through an offset of a portion of the rate increase. In the 2013-14 Budget, we are including $9.4 million to continue to offset a portion of the rate increase; thereby continuing this government's commitment to provide rate stability to Northerners during the Corporation's transition to higher rates.

We are also continuing our commitment to invest in long-term solutions to reduce energy consumption and costs with $5.15 million in operating and capital initiatives for 2013-14. We have some of the world's greatest renewable energy potential, and investments in realizing that potential are critical to our long-term growth.

About $400,000 of our investment will lower the costs to consumers, businesses and communities of new technologies through enhanced rebate programs and grants. Another $250,000 is allocated towards the development of a regulatory application for the proposed Whati transmission line that could transform Whati from a diesel community to a hydro community.

We remain steadfastly committed to diversifying our energy base with investments in alternative energy, including those aligned with the *NWT Solar Energy Strategy* and the *NWT Biomass Energy Strategy*. An investment of $250,000 will establish solar energy systems in two diesel communities, building upon our success with the recently expanded Fort Simpson solar project. Another $100,000 will be invested in developing a community scale wind project.

Over $2 million of our investment focuses on biomass initiatives, including the $1.6 million supplementary approval we will be seeking to convert the Norman Wells school and airport to biomass. These two projects will be the first large-scale biomass projects outside of the North and South Slave regions and they demonstrate our

commitment to expanding the biomass supply chain to communities throughout the Mackenzie Valley. We continue work on finding long-term energy solutions in communities facing uncertainty in energy supplies, including $100,000 to advance a liquid natural gas solution for Inuvik.

We are currently working on an overarching *Energy Plan* that builds on the input gathered from across the north. We have received many suggestions with regard to what we need to do to address the challenges and opportunities facing the territory today. It is clear that improving our economy depends on providing energy at affordable rates to industry and communities. The government looks forward to working with all Members of the Legislative Assembly to finalize the *Energy Plan* for release later this spring.

Investments in alternative energies present significant economic opportunities and improve the health of our environment. A healthy environment that sustains present and future generations is not at odds with economic growth but is a foundation for that growth. The 2013-14 Budget invests $72 million in protecting the environment. Work continues on implementing the *Greenhouse Gas Strategy*, working collaboratively on management actions for barren-ground caribou herds, and completing a new *Wildlife Act*. This Budget includes an extra $523,000 to support trans-boundary water negotiations as part of our efforts to implement the *NWT Water Stewardship Strategy*. Finalizing trans-boundary water management agreements is a cornerstone in ensuring the health and ecological integrity of our northern waters.

Effective and Efficient Service Delivery

One of the goals of the 17th Assembly is to continue to improve the effectiveness and efficiency of government and in the current environment of slow revenue growth, where we need to do more with less, this goal is even more pressing. As part of our efforts for continuous improvement, our Program Review Office is working closely with departments and members of the Legislature to help ensure we get the most from our limited resources.

During Budget Dialogue 2012 people discussed opportunities to improve the delivery of government programs and services by redeploying funds within programs and removing duplication and other "red tape." We are still reviewing the suggestions but through this Budget have made several important investments to improve our current services through innovation, keeping services in the North, and energy-efficiency gains.

Mr. Speaker, the world of health care is changing, and new technology presents great opportunities to transform service delivery by bringing services directly to our residents. Electronic medical records can provide continuity of care, so that locum physicians and nurses have instant access to a patient's history. They also provide an essential tool for chronic disease management, providing automatic reminders for scheduled treatments and allowing health care practitioners to request real-time consultations with specialists. This will ensure that all Northerners have access to a consistent level of care, often without having to travel. This Budget commits $489,000 to support a partial deployment of the Electronic Medical Records system, providing the foundation for future territory-wide implementation.

Medical travel costs are a key consideration in the Budget and we continue to try to reduce the need for medical travel. Changes to chronic disease management so that we can treat more diseases locally reduce the need for patients to travel south for care. In 1996, we began providing dialysis services in-Territory and in this Budget we are investing an extra $229,000 to keep these critical services in the NWT. Without this investment, the NWT would be unable to keep the dialysis units open and would spend over $1.8 million annually to send current patients to Alberta for treatment.

Another $472,000 will be invested in improving medevac services, ensuring all Northerners receive similar high standard levels of care. Medevac services are lifesaving essential services for all NWT communities. This initial investment supports medevac triage and coordination, ensuring life-dependent resources are available to the right patients at the right times.

Finally, the Budget includes $550,000 to establish system-wide clinical leadership. This will help to ensure consistent levels of patient care throughout the NWT, and ensure that our system has the capacity to keep current as new standards of care are established nationally.

This Budget also continues our efforts to improve our government's overall energy efficiency. In addition to the $1.2 million passed in October as part of the Capital Asset Retrofit Fund Program, this Budget earmarks $700,000 for installation of energy-efficient wood pellet boilers in public housing units. Every year, we spend about $7 million on heating fuel for the Public Housing Program. We continue to look for opportunities to increase energy and cost efficiencies of existing government assets.

Mr. Speaker, one of the priorities of the 17th Legislative Assembly is increasing employment opportunities where they are most needed. One way we can do this is by decentralizing more GNWT positions and bringing our government closer to the people it serves. We can see the importance of that in the success of the Single Window Service Centres that help residents in rural and remote communities navigate and access territorial and federal programs. In 2013-14 we will open three more Single Window Service Centres, building on the success of the 13 already in existence across the NWT.

We are not stopping there. In total, 2013-14 will see 18 decentralized positions outside Yellowknife. This is in addition to the 11 new positions proposed under various programs already outlined, including the government's response to the activity in the Sahtu. Equitable distribution of the economic benefits associated with public service employment ensures every region benefits and we will continue to work to maintain this distribution across the territory.

Looking Ahead

This is the second year of this Assembly and we have made progress on several of our priorities, including increasing our borrowing limit, implementing new public housing rent scales, and investing to address our health facilities deficit. The investments outlined in this Budget tackle many of the remaining priorities we set a year and a half ago.

Looking forward, we know that revenue growth is slowing. We have worked hard to ensure federal transfers reflect our unique circumstances, and in December the federal Finance Minister announced that Territorial Formula Financing will continue using its gap-filling formula that recognizes the increased costs of providing services in the North. This reassurance is critical for a program that makes up the majority of our revenues. Nevertheless, this reassurance does not remove the reality of very little growth in Territorial Formula Financing over the next two years, and in these fragile economic conditions growing revenues through additional taxes is not prudent, and given our small tax base would be ineffective. Instead, we intend to live within the means we have now.

We will continue to work with the federal government on a long-term plan for public infrastructure beyond the 2014 expiry of the *Building Canada Plan*. Under this plan, the NWT has benefitted from hundreds of millions of dollars in infrastructure funding. We are looking to partner with the federal government on a new plan for strategic infrastructure investments that support long-term economic growth and prosperity. Partnerships are critical for projects such as the long awaited Inuvik to Tuktoyaktuk highway.

We are moving ahead on strategic opportunities such as the Mackenzie Valley Fibre Optic Link Project. This project will provide a high-speed data link up the Valley and will have significant positive impacts for economic and community development, and the delivery of government services. This Budget commits $7 million to continue advancing the fibre link project.

Moving forward on these opportunities is made possible through our commitment to generating operating surpluses through our fiscal strategy. We know this will be made increasingly difficult as revenue growth slows, but we have already made great progress in protecting existing programs and making priority investments, and are poised to meet the challenge by working collaboratively to manage the growth of our operating budget.

We look forward to the finalization of the Devolution Agreement in the near future. The authority and control of our resources is one of the most immediate and tangible ways we can grow our revenues and economy in the coming years. We have put ourselves on a sustainable fiscal path so that resource revenues from the Final Devolution Agreement can be used for investments in infrastructure to grow the economy, paying down our debt, and, when appropriate, saving in the Heritage Fund for future generations. To further support economic growth across the NWT and extend the benefits of devolution, we have also committed to sharing a portion of these resource revenues with participating Aboriginal governments, helping to build capacity and opportunities in regions and communities.

Conclusion

This Budget keeps us on the path we set last year to continue living within our means while allowing us to make some strategic investments in areas that need attention. Our new spending initiatives address the issues raised by Members of the Legislative Assembly and reflect concerns and ideas shared during our Budget Dialogue process.

This Budget makes investments in Caucus priorities such as prevention, early childhood development, addictions programming, and improvements and innovation in health care delivery to ensure a fair and sustainable health care system. Investments that strengthen and diversify our economy such as the Mackenzie Valley Fibre Optic Link, tourism marketing, and decentralization of positions to increase opportunities throughout the territory are critical in building a prosperous future. This Budget also devotes resources to ensuring responsible stewardship of our land and water through partnerships and continued negotiation of devolution.

Mr. Speaker, we have collectively made a conscious decision to push ourselves fiscally as a Legislature, maintaining and protecting programs and services, while at the same time investing in critical major infrastructure like the bridge and now the Inuvik to Tuktoyaktuk highway. We were able to achieve all these investments while maintaining the operating surplus needed to fund infrastructure; but our work is not done. We must stay the course and continue to control expenditure growth so that we can remain fiscally sustainable and at the same time invest in infrastructure to position us for a self-sufficient and diverse economic future.